

Delaware College Investment Plan Board

Office of the State Treasurer, Conference Room
Board of Trustees Meeting
July 12, 2016

Board Members Attending:

José Echeverri, Chair
Tom Cook
Valerie Watson
Donald Shandler

Others Present:

Ken Simpler, State Treasurer
Shana Payne, Dept of Education
Nohora Gonzalez, Deputy State Treasurer
John Meyer, Director of Contributions, St of DE
Frank Broujas, Deputy Attorney General, St of DE
(Tele)

The meeting was called to order at approximately 1:04 p.m. Introductions by all were in place.

Motion to approve meeting minutes from 3/11/16 was submitted, and it was suggested by Ms. Gonzalez the approval will be made at a later date since the board no longer exists.

It was stated by Ms. Gonzalez that legislation was passed for the Delaware College Investment Plan to go from the Delaware Higher Education Office to the State of Delaware Treasurer's Office. She said there will be a memo going out to all board members, for signature. The new board will consist of 11 board members to the sub-committee. It was also said that Karen Field Rogers is the appointee from the Delaware Department of Education. The board will meet on a quarterly basis with the first meeting in October 2016.

Mr. Echeverri stated he wanted to speak with the board head of the retirement committee (he requested telephone number for Charles Campbell-King). Ms. Gonzalez stated that Martha Sturtevant will be handing out bios on all members.

By-laws and the potential to define them was discussed, how to define sub-committee meetings and what decisions can be made as a sub-committee, definitions of by-laws. Mr. Echeverri asked if there had been prior by-laws and it was responded that there wasn't. She stated that included in these by-laws will be a clause on "Conflict of Interest".

Ms. Gonzalez discussed the representation of the subcommittee from the Deputy Attorney General's Office, Julie Donoghue. A question was asked if the board sub-committee would continue to sign contacts or will the designee from the State Treasurer's Office sign them, as they sign for other sub-committees. Would like to keep the process consistent. Mr. Broujas stated this should be voted on by the board and that a simple amendment could be put in place.

Audit discussion was presented by Brock Thomas and Jim Doyle, both of BDO. It was said the audit went smoothly, adequately, and with a "clean" opinion. The discussion outline is on page 3 of the handout.

The next item up for discussion is the budget. The focus for next week's meeting is just performance and what has happened over the last five years. To understand, not only how much has been collected, but also, how much has been paid out. There's a lot of conversation to be held reference the funds on this account. Need to look at fees being paid out to Fidelity. Another proposal would be for a travel budget for all board members. Goal setting and strategies, at this level, is important.

There was discussion held on various marketing aspects and the possibilities that might exist. Further lengthy discussion will be necessary.

Logos for the Delaware College Investment Plan were spoken of and possible samples were reviewed.

Discussion of the disbursement to the Delaware Children's Museum in the amount of \$250,000 (there's a balance of \$125,000) and when is the billing. Further discussion on their sponsorship for the future will be looked at. They are an excellent demographic group. The contract/timeline of payment was reviewed. No clarity within contract with following through with bullets being met, underperformance, bullet points not met.

John Meyer states 3 things to be looked at with DCIP is tax incentive, what can Fidelity bring to the table, and incentives to employers to offer the 529 Plan to their employees.

It was decided that afternoon meetings would be best.

Meeting adjourned at 3:04 p.m.

Respectfully submitted,

Karin Gotcher